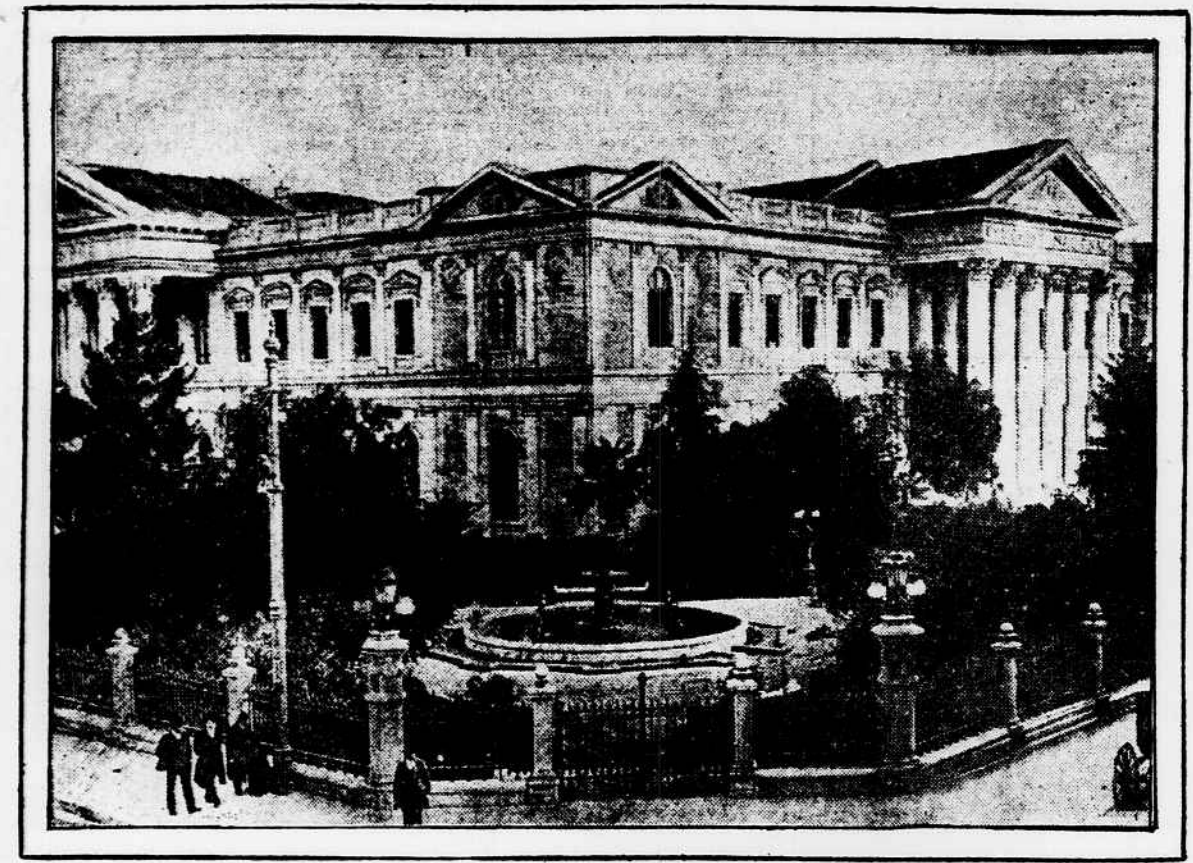


Salesmanship in the Countries of South America



CHILE'S CAPITOL BUILDING, AT SANTIAGO.

BY ROBERT F. WILSON.

PROPER and improper methods of selling goods to South Americans can be best illustrated in some recent experiences of American salesmen sent to the southern continent since the start of the war in Europe to take advantage of the golden American trade opportunities which their employers confidently thought were there.

One of these salesmen was employed by a large hardware concern in the United States. His employer was caught up in the enthusiasm for Latin American trade, and, judging that the cutting off of European supplies gave him the opportunity to break heavily into the South American market, he picked out his best salesman and "shot" him down there.

"Shot" is exactly the word to use to describe the dispatching of this salesman. He was exactly the kind of a salesman to "shoot" anywhere to pick up an order in record time. He had made a reputation for speed in his work at home, and his employer, regarding the great volume of advice, official and otherwise, warning American manufacturers of the futility of trying to do business in a hurry with Latin, judged him to be the best man to send to the southern continent.

As it turned out, he was the very worst man to send—the least adaptable to the changed business conditions that were soon to confront him. He was the well recognized American type which

believes that anything American is superior to any similar thing in the world. He started on his new commission with a contempt for the people with whom he was to do business, an attitude fatal to success.

At the outset he looked over steamer routes. He found he could take one steamer direct to Rio de Janeiro without stop. Or he could board a smaller, less comfortable ship at New York and touch at several Brazilian ports before reaching Rio. He looked up the populations of these towns, judged they were important enough to enlist his attention, and, like a true knight of the grip, he surrendered the greater comfort of the direct steamer in order to have a few hours in each of these cities en route to the Brazilian capital.

He expected to stay a week in Rio, then jump over to Sao Paulo and Santos for a couple of days, "sell" the trade there in record time and be down at Buenos Aires and Montevideo before an ordinary salesman, without his record for fast work, would have established connections in his first stop in South America.

The ship that conveyed him south belonged to the Brazilian government—one of the Lloyd-Brazileiro line. It made a stop of one day in Pernambuco and two in Bahia before making the port of Rio de Janeiro. This was regarded by our "crackerjack" as time enough to cover the trade in each of these two cities. At Pernambuco he hurried his sample trunk ashore and spread out his wares in the room at the hotel. Then he called on the hardware dealers of the city and invited

them to look over his stock. To his surprise they did not respond. Having but a few hours left before the steamer's departure, he frantically called again on the trade. The benighted merchants of Pernambuco did not seem to appreciate the enormity of their mistake in not rushing to take advantage of the American's visit. In fact, when he attempted to point out the deficiencies in their stocks of goods, even their innate politeness and sense of what is due the guest could scarcely hide their disapproval of him.

The perplexed salesman left without an order of any kind, but more than ever convinced of the truth of his frequently repeated assertion, "The good old U. S. A. is good enough for me!"

His two days at Bahia were productive of no better results than before, and upon his arrival in Rio de Janeiro he did not even bother to visit the trade there, but called immediately to his firm advising his own recall. "South Americans not educated enough to appreciate American goods," he cabled, and no doubt his employer today is a profound pessimist on the subject of Latin American trade.

It happened that this salesman was followed a few weeks later by another, this time a German representing a German hardware exporter. Even the war cannot shut off Germany's exportations completely. How the German manufacturers can break through the armed blockade that surrounds their country is more or less mysterious, but the fact remains that German goods (in greatly reduced quantities, it is true) are going into South America, or were a few weeks ago. At any rate, the German salesman was able to assure his customers of delivery.

Upon his arrival in the first Brazilian city he visited he presented his letters of introduction to the merchants with whom he intended to do business. Later

Proper and Improper Methods—Americans Must Adapt Themselves to Native Business Customs—The Story of the "Live Wire" Who Was Going to "Clean Up" in a Short Time—Another Salesman Who "Put One Over" on British Competitors a la Dinner Route—German and English Methods—American Manufacturers Can Secure Good Salesmen in the Countries to Which They Wish to Sell.

they returned his calls, and at length, having established a basis of friendship, he dropped into their stores and began admiring their stocks. His questions showed so much knowledge about hardware that the merchants began to suspect him of being a salesman, and after three or four days they began to ask him about his business.

He confessed that he was handling a line of hardware, but made no point of it, preferring to exchange the social amenities. Upon being pressed he told about the particular lines he was carrying, and they individually assured him of their need of replenishing their stocks in these lines. He replied that

sure, but on her return voyage the vessel gave him only twelve daylight hours in Rio de Janeiro and half that long in Bahia, yet he booked orders in both cities. They were small, trial orders, but the apple man is confident that they will result in bigger business next year.

Although Americans, to be successful salesmen in South America, must study the nature of the native buyers and conform their methods in some degree to the customs of the Latin countries, that is not saying that there is not plenty of room for the exercise of the American selling ingenuity. In fact, the situation there is one which peculiarly demands the full employment of the American business genius.

There came to my attention in Argentina and Uruguay several instances



MAIN BUSINESS STREET OF BAHIA, BRAZIL.

there would be plenty of time to show samples, but finally they pressed him so hard that he complied and opened his trunks.

He took a week in each of three cities and transacted a business that would not have been spurned by the swift-traveling American salesman who preceded him. My informant in Rio told me that the German salesman sold to every merchant whom he visited.

It will seldom, if ever, be necessary for an American salesman to proceed as deliberately with his work as the German hardware man did, although the Germans have closely studied the best selling methods to be employed in South America. But the American salesman carrying a line of competitive goods who tries to race through the continent of South America and make a selling record with the methods he employs in the cities and towns of the corn belt is almost certainly doomed to disappointment.

If the hardware man had carried some non-competitive line, such as typewriters or farm implements, he might have had better success, but even with these lines an adaptation to the customs of the country is a paying concession for any American to make.

That American orders can be booked in short time, however, was evidenced on my voyage back to the "States." There boarded the ship at Buenos Aires an American who is engaged in the apple business in the state of Washington. He had gone down to Argentina on the same vessel by which he returned, but during the two weeks when the ship was lying in her cargo of Argentine frozen beef he sold a big order of this year's crop of Washington apples to the commission men of Buenos Aires.

He had plenty of time for this, to be

in which the resourcefulness of American salesmen has successfully stormed and captured the market previously occupied by the European competitor.

Not long ago a manufacturer in New York, who had been making indirect illumination fixtures—sent to South America a young salesman who has proved himself expert in taking business out from under the noses of British and German houses.

This salesman received information that there was about to be let a big contract for the lighting fixtures in a new public building in Uruguay. He hurried to Montevideo, the capital, but found he had arrived there too late. The British influence is strong in Uruguay, and a British house had the big contract for fixtures practically nailed down. The Yankee salesman was told that there was no need for him to waste time and breath.

But the salesman did not despair. He had met the officials pleasantly, and in order to give them his assurances of his esteem he invited them to a dinner at the leading hotel in Montevideo. They accepted pleasantly, for they had come to like this bustling young fellow from the north.

The American left the details of the dinner to the hotel chef, but he busied himself with the private room in which the dinner was to be given. For a few hours workmen were mysteriously engaged in that room, and then the dinner was cleared away and the room turned over to the hotel kitchen forces. The salesman arrived and they showed that he was worthy of the trust the salesman had placed in him. The latter waited until late in the evening when the wine had done its soothing work. Then suddenly the glaring lights (in the British fixtures which the hotel was equipped) were extinguished and there was left a soft, diffused glow



THE ANTREUM, MONTEVIDEO, URUGUAY, WHERE SEVERAL PROMINENT AMERICANS HAVE DELIVERED SPEECHES.

that lighted every nook and corner of the room perfectly, yet cast no glare nor shadow. The light came from a set of inconspicuous globes that none of the guests had noticed before. It was as startling as a stage transformation.

At once the host was the target for eager questions. He explained modestly that while he was unable to sell them, the sort of illumination their new building deserved, yet he was unwilling to leave Uruguay without demonstrating its superiority to them. After that there was no doubt about the contrast. The guests were delighted. The Newark house got a big order, and there was a considerable addition to the Yankee side of the Uruguayan trade balance.

Equally ingenious was the salesman for an American manufacturer of locomotive safety appliances. The wheat farmers of southern Argentina were complaining that the locomotives of a certain railroad were setting many prairie fires. The locomotives were equipped with British spark arresters, but the fires continued. The line is owned by British capital and operated by a British company, and it was in vain that our American salesman tried to assure the officers that he had a spark arrester that was certain in its action. They would not even consent to a demonstration.

The salesman chartered a special train in such a manner that the company was assured that the purchase of the spark arrester was not a matter of the Argentine law the control of his chartered train was in his own hands, he equipped the locomotive with one of

his spark arresters. Instead of inviting the railroad officials to witness the test, he had as guests the officials of the province in which the prairie fires had done the greatest amount of damage.

The train was run over the line during a dry period, but although all other conditions on the locomotive were normal, not a fire was set during the entire trip. The railroad then capitulated and placed an order to equip all its engines with the American device. To have failed to do so would have invited compulsory legislation.

The problem of salesmen is one of the greatest which confronts the American exporter trying to break into the South American field. Frank A. Vanderlip of the National City Bank has written of the difficulty in finding young Americans of ability who are willing to go to South America to live. The Yankee is loath to leave his own country, while the young men of nearly every other great nation on earth seem to be perfectly willing to reside in foreign lands.

One prime reason for this is that the young American can find just about as good opportunity at home as he can at the rainbow's end, while to the young German or Scotchman or Englishman there is better opportunity in a new, developing country than in his own.

From my observations I have come to the conclusion that American manufacturers should not neglect their opportunities for obtaining Latin American salesmen in South America itself. If the South American trade of Europe should be greatly reduced in the future as a war aftermath, then there

would be chances to pick up expert British, German and French salesmen who have resided in South America many years and understand how to transact business there. German business is now greatly reduced in South America, yet, although it has been impossible for many Germans to leave that continent, few of the employees of German houses are out of work. In many instances they have been given employment by British and native business houses.

One of the shrewdest American business men I met in South America was not an American at all, but a Briton by birth and citizenship—a Mr. Coates of Montevideo. He conducts a large agency of American goods in Uruguay, including many well known and widely advertised products of the United States. It is his idea that American exporters can find their best salesmen in South America. Coates' own business success is largely due to the fact that he followed this plan.

"Americans want to live here because they have as good opportunities at home," he said. "But American manufacturers can come here and find English lads who were born here and who are not only contented to stay, but who also know the languages and characteristics of the people and, in addition, possess the Englishman's aptitude for business. The American manufacturer, after securing such a man, should take them up to the United States and train them there in American selling technique."

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HOUSE OF CONGRESS, BUENOS AIRES, MODELED AFTER THE UNITED STATES CAPITOL.

Great Britain Is Now Preparing to Mobilize Her Entire Supply of Gold

Special Correspondence of The Star.

LONDON, September 2.

ENGLAND is preparing to mobilize her entire gold reserve. By this the writer means not the gold coin that exists in the vaults of her banks, but the immense stores of the precious metal in the form of plate and ornaments owned by the hundreds of great families in this country.

The English treasury has recently sent out circulars marked "private" to a large number of persons, requesting them to furnish particulars of the weight of the gold plate, ornaments, etc., in their possession. No circular has been sent to any goldsmith, but personal inquiries are being made of the latter as to the quantity of gold in their possession, and it is anticipated by several of the largest goldsmiths that the sale of gold plate and ornaments will shortly be forbidden and that these will have to be held in stock pending government action.

The object of this move on the part of the treasury is, of course, to obtain some idea of the quantity of gold it would be possible to obtain in the country from private sources in view of the financial situation, which will necessitate later the export of a large quantity of gold to the United States and elsewhere.

To fully comprehend the reason for this measure, or, rather, contemplated measure, on the part of the English treasury some little understanding of the broad facts of the present financial situation is necessary. There is at present a big debt due by England for goods obtained chiefly in the way of munitions (war) from the United States. In the ordinary way of trade these goods would be paid for by the export from England of other goods, but England's export trade has, for the present, almost ceased.

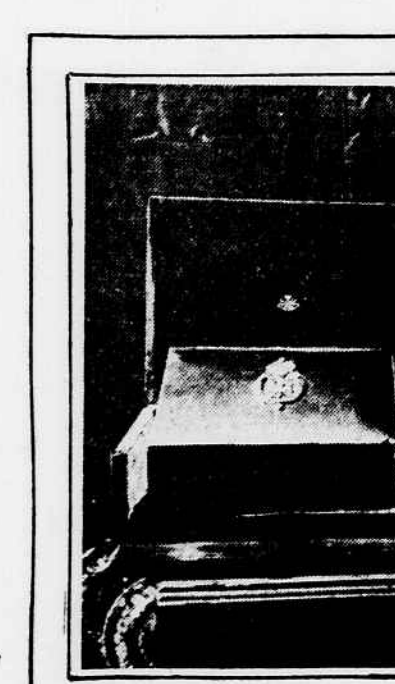
If England cannot discharge her debt to the United States by exports there is practically only one other way by which she can do so, and that is by an export

of gold. Other methods have been suggested, into which, however, there is no need to inquire. Payment by an export of gold is the plain and obvious method by which England must ultimately discharge her debt to the United States, and in order to do this and at the same time preserve English credit the English treasury must find some means of greatly increasing the gold reserve at the Bank of England. War loans, however successful they may be, do nothing to accomplish this purpose. All a war loan really does is to transfer "credits" from the ordinary joint stock banks to the credit of the treasury at the Bank of England, but this scarcely affects the gold reserve.

These credits enable the treasury to pay its liabilities in England and, to a limited extent, in the countries of her allies, but it does not help the treasury to meet its obligations in the United States. To do this it becomes necessary for the treasury to obtain a much larger supply of gold than it at present can command.

The plan the treasury has in view is to take the quantity of gold it may need, in the way of gold plate, ornaments, etc., that are now in the possession of private individuals, and pay for the gold so commandeered in war stock or by a special stock to be created for the purpose of coinage. The first step in this undertaking is to ascertain approximately how much gold there is in the country available for such a purpose. This is being done by means of circular inquiries addressed to certain persons, and by personally conducted inquiries.

The whole scheme is being carried out under the control and direction of Noel Behrens, a nephew of the late Lord Rothschild, and one of the chief financial experts at the treasury. Mr. Behrens is at present acting as Mr. McKenna's private secretary at the treasury. The first persons to be approached on the subject were members of the royal family. This was done, of course, for the purpose of creating a royal example of patriotism, which the members of the great aristocracy and wealthy families, in whose hands most of the ornamental gold lies, would, perforce, have to follow. King George has agreed to let the treasury have the whole of the contents of the red and white rooms at Buckingham Palace, which contain practically all the gold ornaments in the way of cups, figures, pilgrim bottles and boxes in the private possession of the monarch. The king could not give up any treasure owned by the nation, but the gold in question is the personal property of his majesty. The



SOME OF QUEEN ALEXANDRA'S GOLD. Precious relics left by the late King Edward, which may be melted down to pay England's bills to the United States.

value in weight was estimated by the court goldsmiths on the accession of King George at \$2,500,000.

Queen Alexandra has also agreed to let the treasury have all the gold ornaments at Marlborough House, with a few exceptions, one of the most notable of which is the massive gold shield given by the Kaiser's father to Queen Victoria, who bequeathed it to King Edward, and who in turn bequeathed it absolutely to his consort. This shield is one of the most valuable gifts that one monarch has ever conferred

on another sovereign. It is about three feet in diameter and made in three rims of solid gold, the two inner rims bearing carved work of the richest and finest quality; the outer is ornamented with scenes from biblical history set in colored jewels. A full description of the shield occupies six pages of one of the catalogue books at Marlborough House. The shield was regarded by the late king as one of the most valuable treasures in his possession, and however long eyes the English treasury, in view of its needs,

may cast at it, Queen Alexandra will certainly not part with it, though the gold in the shield is said to be worth \$500,000, valued, that is, by weight only.

However, the gold that could be supplied from Buckingham Palace and Marlborough House would be but a small fraction of the amount that the treasury may eventually require; but sufficient to meet financial needs could be obtained if a portion of all the gold in the United Kingdom in private possession was taken.

The court goldsmiths have a registration of the gold plate, ornaments, etc., in the possession of about 200 families in England. These include the gold plate, etc., in the families of the Dukes of Portland, Westminster, Norfolk, Devonshire and Roxburgh, the Marquises of Landowne and Londonderry and the Earl of Rosebery. The value of the gold plate in the possession of these families alone exceeds five million.

The Dukes of Portland, Norfolk and Westminster are the only three dukes having in their possession a dinner service of solid gold, and of these the Duke of Norfolk is by far the most valuable. There are 3,000 pieces in it, many of which are very massive, such as the huge soup tureen, an immense table center and fifty drinking goblets. The pieces are not all of the same period. The most valuable are the drinking goblets of the Elizabethan period, to which period also belong the silver plates. A value is attached to these pieces that is very greatly in excess of their value estimated merely by their weight.

Two Elizabethan goblets in the Dunn Gardner collection fetched \$25,000 apiece when sold at Christie's rooms some fourteen or fifteen years ago. The duke's goblets would probably fetch a larger price if they came into the open market. This is a consideration that will rather complicate the treasury scheme of valuation, which is to be made purely by weight. It would be obviously impossible for the treasury to commandeer old gold plate at its weight value when such plate had a value many hundreds of times greater. However, the quantity of old gold plate in the country having a value greatly beyond its actual worth as gold is not, as far as is known, very large; and as events such gold would not be com-

manded under the present scheme, though it will be included in the register. It is worth while noting that the famous Windsor dinner service in the possession of King George, as well as state banquets and always described in the press as "the gold service," contains but three hundred pieces that are pure gold. The rest of the four thousand pieces of which the service consists are of silver gilt.

The court goldsmiths estimated the total weight of the gold plate in the possession of the 200 families on their registers at 18,000,000. Outside the titled aristocracy there are several court families who have very valuable gold plate.

William Gladstone, grandson of the great statesman and squire of Hawarden, who was recently killed in action, had a collection of gold plate that had been valued for probate at \$800,000. The duke's vault as part security for the death of the late Mr. Pike Pease in 1890 at \$150,000. About half of it was sold at the time to pay heavy charges on the family estates, and the greater part of the remainder now lies in a banker's vault as part security for heavy advances of money made to the Pease family.

It is of course, impossible to say with any considerable exactness the quantity of gold that the treasury could obtain from private sources, but the court goldsmiths and some other large firms who have a good deal of reliable information on the subject estimate the value of the gold in private possession in the United Kingdom at \$360,000,000, and in the possession of traders at about \$225,000,000. Taking these figures as being approximately correct, the English treasury could, by commandeering all the gold in private hands, obtain metal to the value of \$585,000,000, but they would probably not need more than a half of this to meet financial necessities, unless the war lasts for another two or three years.

There is at present, so far as is known, no intention on the part of the government to make it compulsory on the part of either individuals or trad-

ers to sell their gold to the treasury. The inquiry forms that are being sent out to certain persons simply ask what is the weight of the gold plate, etc., in their possession, and how much of it they would be willing to let the treasury have, taking as payment war stock or a special stock to be created for the purpose of purchasing the gold. But it is beyond doubt that when the registration has been completed, there will be a compulsory commandeering of gold if and when financial necessities demand it.

The idea of this registration originated with the late Lord Rothschild almost directly after the outbreak of the war, but the scheme was then postponed for it did not appear at all likely that any necessity would arise for adopting it. When, however, Mr. McKenna went to the treasury on the construction of the coalition ministry Mr. Behrens brought his uncle's scheme under the notice of the new chancellor of the exchequer, and it was in due course adopted.

On the part of the goldsmiths there will be a certain amount of opposition to the idea of their being compelled to part with their gold stock for weight value. Such thing would obviously involve many goldsmiths in considerable loss. Roughly speaking, a goldsmith's gold stock has a value of about 25 per cent above its weight value, representing the price of labor that had to be paid for fashioning the metal. In the late Lord Rothschild's scheme there was a suggestion that every goldsmith should be paid 30 per cent over and above the weight value of gold taken from him to cover cost of labor and the trader's potential profits, which he, of course, loses if his gold is commandeered.

The present idea of the treasury, however, is to take the goldsmith's stock at weight value and set up a commission to fix whatever further price should be paid for the gold commandeered. However, the first gold that will be commandeered will be that of private individuals, with whom it will be easy to deal, because with the royal example of willingness to make sacrifices for the national welfare it will be practically impossible for others to be less patriotic, just as it would have been impossible for the king to refuse to set such an example.

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AVENUE RIO BRANCO, THE GREAT BUSINESS STREET OF RIO DE JANEIRO.